

ECONOMIC DEVELOPMENT COMMITTEE

12 SEPTEMBER 2018

PROGRESS UPDATE ON THE COMMERCIALS PROJECT TEAM

1.0 Purpose of Report

1.1 To ensure Members are kept up to date on commercials group projects and their progress.

2.0 Background Information

2.1 The Commercial Strategy sets out the Council's ambition to be financially self-sufficient by 2020/2021 through commercial aspirations to meet the funding challenges identified in the Medium Term Financial Plan.

2.2 As part of the Commercial Strategy, the establishment of a Commercials Project Team was recommended to deliver and implement projects which would either generate income or offer a reduction in operating costs through an alternative delivery approach.

2.3 The Commercial Strategy was considered at Policy & Finance Committee in September 2017 and approved by Full Council in October 2017.

2.4 The Commercials Project Team is chaired by the Strategic Development Manager and the team have been selected for their commercial acumen. The Commercials Project Team was established in late 2017 and is made up of a group of officers (details of the team are included in as **Appendix A**) who lead and support on a range of commercials projects.

3.0 Commercials Projects

3.1 The current phase of commercial projects have been selected via discussions with CMT based on those projects which support commercial aspirations and will either generate income or offer projected savings.

3.2 Currently there are **5** projects in progress by the Commercials Project Team:-

Project	Project Lead	Project Description
Newark BIC	Project Lead: Matthew Norton Project Support: Ella Brady	To consider options for increasing the revenue position from the management arrangements of the BIC
Garden Waste	Project Lead: Deborah Johnson Project Support: Natalie Cook	To consider options of increasing income by delivering the garden waste service in house
Service Level Agreements	Project Lead: Diane Kirk Project Support: Natalie Cook	To review all existing SLA's to ensure they follow a standard approach, are accurate and include an appropriate charging mechanism
Grounds Maintenance	Project Lead: Jill Baker Project Support: Ella Brady	To consider options of increasing income by appropriate expansion of the service

Trade Waste	Project Lead: Sharon Parkinson Project Support: Natalie Cook	To consider options of increasing income by appropriate expansion of the trade waste service
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3.3 In addition, there are **2** strategic projects which have been supported by the commercials project team:-

Project	Project Lead	Project Description
Castle Gatehouse	Project Lead: Dean Rothwell	To establish a business case which gives clear and realistic projections on the revenue position
Leisure Provision in Sherwood	Project Lead: Leanne Monger Project Support: Natalie Cook	To establish an options appraisal ensuring that the full financial implications had been worked through to enable an informed decisions from Members

3.4 Each project has a project plan, risk register and is led by a member of the Commercials Project Team. Project risk registers are incorporated into the Council's risk register process and are managed and reported through the appropriate reporting mechanisms.

3.5 Attached as **Appendix A** is the register of commercials projects, including detail of project aims, timescales, progress to date, reporting deadlines and projected savings or income generation.

3.6 The Commercials Project Team have developed a business case template that all business cases should follow so that information is presented in the same way. The business case is comprehensive and gives a robust picture of any proposition.

3.7 The Commercials Project Team have hosted 2 commercial training sessions for all Business Managers which have covered case studies of commercial opportunities in local authorities and joint ventures.

4.0 Savings Identified/Income Generated

4.1 The Council's Commercial Strategy identifies the measure of success for the Commercials Team is the net effect of commercialisation to the General Fund, expressed in monetary terms. For 2018/19 the target has been set at £84k, increasing to £334k in 2019/20. This target will be cumulative year on year. Current projected savings and income have been identified in the table below:-

Project	Projected Savings/income 18/19 (Target is £84k)	Projected Savings/Income 19/20 (Target is £334k)
Newark BIC	£76k	approx. £180k
Garden Waste (Admin)	Service to operate in 19/20	£30k
Garden Waste (In house option for collection)	Business Case in development	Awaiting business case for projected savings figure

Service Level Agreements	Approx. £4k	Awaiting review of SLA's with NSH for projected savings figure
Grounds Maintenance	Business Case in development	Awaiting business case for projected savings figure
Trade Waste	Business case in development	Awaiting options appraisal for projected savings figure
Total Identified so far	£80k	£210k

The Commercials Team are still working towards the target for 2018/19 and are working to meet the target identified for 2019/20.

5.0 Equalities Implications

5.1 Each project is subject to completion of an equalities checklist and an EQIA if required. This report does not implement policy or procedure change and there are no equality implications

6.0 Impact on Budget/Policy Framework

6.1 Within Section 4 of this report, the projected savings/increased income from the commercials projects are detailed. Each project is subject to a robust business case which may include a one off capital or revenue costs. Each business case will be subject to consideration on an individual basis. This update report does not include any impact on budget or policy framework not already incorporated.

7.0 Comments of Business Manager – Financial Services – FIN18-19/6761

7.1 The 2018/19 budget identified a savings target of £84k. The table as shown in paragraph 4.1 forecasts a saving of £80k within 2018/19. This shows that more work is needed in order to meet the savings target in the current year. This will constantly be kept under review to ensure these savings are generated.

8.0 RECOMMENDATION

That the update regarding Commercial Projects be noted.

Reason for Recommendation

To update Members on the progress of the Commercials Project Team

Background Papers

Nil

For further information please contact Deborah Johnson, Strategic Development Manager on ext. 5800 or Natalie Cook, Policy & Projects Officer on ext 5275.

Sanjiv Kohli
Deputy Chief Executive/Director – Resources

Appendix A

Commercials Project Team

Project Team Members

- Sanjiv Kohli (Project Sponsor)
- Deborah Johnson (Chair)
- Jill Baker (Project Team)
- Ella Brady (Project Team)
- Natalie Cook (Project Team)
- Diane Kirk (Project Team)
- Leanne Monger (Project Team)
- Matthew Norton (Project Team)
- Sharon Parkinson (Project Team)
- Dean Rothwell (Project Team)

Commercials Projects

Project Name	Project Lead/ Project Support	Project Description	Progress to date	Projected Savings/ Income	Committee Meeting Date
Newark Business Innovation Centre (BIC)	Project Lead: <i>Matthew Norton</i> Support: <i>Ella Brady</i>	To consider options for increasing the revenue position from the management arrangements of the BIC	Members agreed in May for the BIC to be operated in house. The Business Plan is currently being developed.	£76k for 2018/19. Approx £180k in 2019/20	Business Plan will be presented to Economic Development Committee in September
Garden Waste	Project Lead: <i>Deborah Johnson</i> Support: <i>Natalie Cook</i>	To consider options of increasing income by delivering the garden waste service in house	Members agreed in June to bring the administration back in house. Notice has been served to Rushcliffe BC on the administration and it will operate in house from January 2019. The project team are working on developing the business case for delivering both collection and administration in house.	£30k from bringing the administration back in house Awaiting business case for in house option for projected savings figure	An update report on admin provision will be presented to Leisure and Environment Committee in September A full business case considering the in house option will be presented to Leisure & Environment Committee in November

Service Level Agreements (SLA's)	Project Lead: <i>Diane Kirk</i> Project Support: <i>Natalie Cook</i>	To review all existing SLA's to ensure they follow a standard approach, are accurate and include an appropriate charging mechanism	SLA's with Active4Today have been reviewed and signed. SLA's with Newark and Sherwood Homes are now being reviewed.	Approx. £4k for 2018/19	
Grounds Maintenance	Project Lead: <i>Jill Baker</i> Support: <i>Ella Brady</i>	To consider options of increasing income by appropriate expansion of the service	A scoping exercise is being undertaken to identify opportunities for growth.	Awaiting business case for projected savings figure	Update Report to Leisure & Environment Committee in November Full Business Case to be considered by Leisure & Environment Committee in January
Trade Waste	Project Lead: <i>Sharon Parkinson</i> Support: <i>Natalie Cook</i>	To consider options of increasing income by appropriate expansion of the trade waste service	A consultation exercise with current and potential customers will be undertaken in September to identify trends and opportunities for growth.	Awaiting options appraisal for in house option for projected savings figure	Options Appraisal to be considered by Leisure & Environment Committee in January